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Country review report for Guatemala*

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* The present report contains a summary of the findings of the review. The full text is available in the language of submission from the Executive Board secretariat.

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Introduction

1. In accordance with the procedures set forth in the programming manual for the review of country cooperation frameworks (CCFs), a review of the CCF for Guatemala (1998-2000) was held from May 8 to 2 June 2000. The team was led by an external consultant with no previous contracts with UNDP and supported by a senior Assistant Resident Representative from the El Salvador country office and one member selected by the Government of Guatemala who also had no prior involvement with UNDP. The review was to cover the totality of UNDP assistance funded from both core and non-core resources. Prior to the beginning of the mission, its members reviewed relevant documents and upon arrival held several meetings to brief country office staff. Consultations in the field included interviews with a wide array of government officials, representatives of civil-society organizations, bilateral and multilateral donors, financial institutions, and United Nations organizations and staff at the country office. During the consultation phase, the country office staff accompanied the mission to the vast majority of the meetings it attended. The review process culminated on 30 May with the country review meeting, which grouped representatives from both the Government and the country office.

I. The national context

2. With the signing of the final peace accords in 1996, effectively ending 36 years of armed conflict, Guatemala initiated structural changes that resulted in the creation of a development agenda to address the causes of the conflict and to seek a viable solution to the political, economic, ethnic and cultural crisis at hand. The peace accords contain a broad range of ambitious objectives to eradicate poverty and to promote sustainable human development, which constitute the basis for a cooperation framework agenda for UNDP and the international community.

3. It is estimated that approximately one third of the peace accords have now been implemented, another third have experienced some progress and the remaining third are untouched. Important initiatives have been undertaken in the social and economic sectors; and although social, economic and gender exclusion continues, the health and education sectors have registered certain gains, particularly with regard to school attendance and literacy. Demobilization of guerilla factions has been successful, while full reintegration of uprooted populations remains a medium- to long-term development objective.

4. Furthermore, certain improvements related to democratic governance can be observed. Comprehensive reform of the judicial sector is under way with significant government commitment to achieving change. Addressing the security concerns of citizens remains a growing challenge for the State; common crime rates have increased, while incidents of human-rights violations by state institutions have decreased. Certain positive changes have occurred as a result of the demobilization and downsizing of the military and the creation of a civilian police force. However, reforming the military and transforming the security apparatus within a democratic framework remains a task yet to be accomplished.

5. Macroeconomic stability is not yet consolidated and remains weak. Since 1998, the fiscal, trade balance and current account deficits have increased, while exchange and interest rates continue to be unstable. The tax burden has not yet reached the goal of 12 per cent of gross domestic product (GDP), established in the peace accords, but the newly signed Fiscal Pact confirms the commitment of the Government to achieving fiscal balance and to improving fiscal management.

6. The elections that took place in late 1999 somewhat slowed down the implementation of the peace accords in general. However, the new Government is committed to continuing the peace process. The new programmes of the Government are broadly organized under five pillars that respond to pending elements of the peace accords: (a) consolidating democracy and national reconciliation in compliance with the accords; (b) decentralizing state resources and administrative responsibilities; (c) urging economic growth through private investment, free and open competition and social responsibility; (d) reducing social, ethnic and gender inequality; and (e) eradicating impunity and corruption.

II. The country cooperation framework

Findings

7. The programmes generated by the CCF reflect the emphasis that the country office has given to supporting the overall government objectives of sustainable human development. The mission concluded that during the CCF period, the UNDP programme in Guatemala has been an effective model for United Nations involvement in countries experiencing post-conflict transition. This view was shared by the representative of the Guatemalan Mission to the United Nations at the Executive Board Meeting in New York in April 2000 during its session on crisis and post-conflict countries. UNDP has developed an effective partnership and dialogue with all relevant entities at political and programming levels which has allowed for the smooth implementation of the CCF and the effective mobilization of needed resources. In terms of future cooperation frameworks, the peace accords continue to be of utmost relevance and constitute a clear mandate for UNDP.

8. The four thematic areas covered by the country office — (a) reconciliation and peace; (b) integral human development; (c) sustainable productive development; and (d) the modernization and strengthening of democratic government — have generally met CCF programme objectives and outlines, therefore responding to the needs arising from all parts of the peace accords. The main results of the CCF objectives for the four thematic areas have been: support for the demobilization of ex-combatants; the strengthening of women and indigenous peoples' political participation and the formation of legal entities to protect their rights; and the reinforcement of civil society's ability to participate in the development of new sustainable production and renewable energy systems. In its support to executive-branch reform, UNDP has helped the Government to define a national decentralization strategy and a national land programme, including the promotion of a land taxation reform, a land registry and cadastral system and assistance to the Office for Land Conflicts. This confirms the commitment of UNDP to its core mission of assisting Guatemala in its transition to peace. The further role of UNDP in attending commissions, working groups and donor coordination meetings has contributed to the peace process.

Recommendations

9. The effective and unified United Nations response to the peace accords, coordinated by UNDP, has received praise. It should therefore be reinforced under the future CCF which, in turn, should continue to address remaining aspects of the peace accords and the government agenda on decentralization, fiscal reform, poverty reduction, judicial reform, citizen security and human rights. These issues fall well within the parameters of the present UNDP programming areas; addressing them would constitute a clear expression of continuing commitment to the peace accords. UNDP headquarters, after reviewing the report, recommended that the country office sharpen its focus in the next CCF and reduce the number of projects.

Agreed action

10. UNDP will continue with the current structure as it effectively addresses the policies and priorities of the current Government, especially because the monitoring activities comply with the peace accords.

11. UNDP will work with the Government to strengthen relations between the State, the private sector and civil society, as a long-term goal.

III. Programme performance

Findings

12. The mission concluded that programmes are on track and are still generally consonant with the outlines of the CCF, although they must adapt to emerging demands from donors, the Government, civil society and the peace process. The country office has been flexible and efficient in responding to changing needs that result from the evolving conditions of a country undergoing a transition to peace. An example of this is the transformation of an area originally set up for the demobilization of the ex-combatants into an area focusing on the broader peace and reconciliation efforts.

13. The strategic results framework (SRF) is not the primary framework for tracking progress on programmes. As a result, many project activities are not included in the SRF or in the results-oriented annual report (ROAR) and each thematic area is working on a mix of SRF goals or outcomes. This further complicates tracking of programme progress.

Therefore, while there is logic to the organization of projects within the thematic areas, it is difficult to try to assess whether the corporate goals are achieving results.

14. UNDP advocacy at the ministerial level has been important in forming a partnership with the Government to define policy in areas of social and economic intervention, environmental protection, gender equality, inclusion and equality of indigenous peoples, and governance. It is specifically worth mentioning the national land programme, the decentralization strategy, the reform of the judiciary system, and the formation of the Office for the Defense of Indigenous Women. UNDP has played an important facilitating and mediating role in bringing together different sectors of Guatemalan society and the international community, and in promoting the participation of disadvantaged populations in the implementation of the peace accords. The preparation of the national human development report and related poverty studies has been instrumental in supporting UNDP advocacy in favour of poverty reduction. This shows that UNDP corporate goals are being promoted through the extensive advocacy initiatives of the staff in Guatemala, in areas of poverty eradication, sustainable human development and support to post-conflict countries in their transition to development.

Recommendations

15. A more comprehensive response to the SRF and the ROAR is needed in order to capture the results of the thematic areas of the office and their contribution to the corporate goals defined in the SRF. While project objectives are on track, programme impact needs to be monitored. The SRF provides a useful management tool for monitoring progress in terms of results, but analysis needs to be carried out on a regular basis. Cross-cutting groups organized around SRF goals would more clearly direct the focus of programmes towards the achievement of measurable results.

16. Effective UNDP advocacy and partnerships are to be continued in the next phase of cooperation. To maintain high-quality relationships, UNDP must continue to address issues that require financial management and quality control in order to ensure accurate reporting to its bilateral and multilateral partners. In cases where clients demand services above the standard level provided under the overhead rate, consideration should be given to either raising the overhead rate or charging directly for services tailored to the client's needs.

Agreed action

17. The SRF and the ROAR are corporate UNDP tools used to measure the results and impact of UNDP programmes in specifically defined themes of global interest to the organization. UNDP must be able to document achievements and impacts in a manner consistent with corporate requirements. This will provide a clearer impression of the contribution that the country office makes to the country. Furthermore, in its upcoming office retreat in August, UNDP will assess the possibility of establishing cross-cutting groups organized around SRF goals.

18. Regarding the delivery of required information to development partners, the country office has been in the constant process of adapting to the demands expressed by both the Government and the donor community. In the future, UNDP will continue to emphasize reliable and timely reporting.

IV. UNDP support to the United Nations

Findings

19. The United Nations reform process in Guatemala has achieved the following results:

(a) Thematic groups oriented to the peace process;

(b) More cohesive country team;

(c) United Nations response to natural disasters;

(d) Improvement in cost effectiveness in operations, communications and promotion of the United Nations image;

(e) Preparation of the common country assessment (CCA) and finalization of the United Nations Development Assistance Framework (UNDAF);

(f) Effective advocacy with regard to the peace process and the global agenda of the United Nations;

(g) Support to United Nations organizations not represented in the country;

(h) Promoting dialogue among different sectors of society, particularly the Government, civil society organizations and the private sector;

(i) Improved partnerships with multilateral agencies (World Bank, International Monetary Fund and Inter-American Development Bank);

(j) More effective high-level dialogue with the Government.

20. In April 1999, the United Nations system agreed locally to harmonize their programming cycles beginning in January 2001, which was endorsed by the United Nations Development Group (UNDG) in June 1999. However, the United Nations Children's Fund (UNICEF) has expressed that their cycle is 18 months and therefore cannot harmonize by the agreed date. This obviously jeopardizes the harmonization process in Guatemala. Relations between UNDP and the United Nations Human Rights Verification Mission in Guatemala (MINUGUA) have been collaborative and mutually supportive. Discussions on ways in which United Nations organizations can develop monitoring mechanisms and overtake specific technical assistance projects, as MINUGUA contemplates downsizing, are currently under way with MINUGUA.

Recommendations

21. While coordination at senior levels has been excellent, coordination at the programming level needs to be strengthened in order to improve impact. Thematic groups need to be restructured with clearer objectives and work plans.

22. Harmonizing the programming cycles of United Nations organizations is needed in order to successfully implement UNDAF and to measure future impact effectively through jointly agreed indicators. Therefore, an exception should be made in order for UNICEF to harmonize its programming cycle.

23. UNDP can support MINUGUA by analyzing the technical merits of government programmes whose aim it is to respect the peace accords and to monitor progress. It is essential for discussion to continue between MINUGUA and the Resident Coordinator to ensure a smooth transfer of activities to relevant United Nations organizations.

24. Significant progress has been made towards establishing a United Nations House in Guatemala, though additional efforts are needed to bring some organizations on board.

Agreed action

25. UNDP will review the rationale of thematic groups, reaffirming those that are still valid and strengthening their operation, and where necessary, creating news groups for areas that are not currently operational.

26. The alignment of UNDAF with the CCA is fundamental, given the fact that the latter constitutes the basis for defining the former. UNDAF will be approved by United Nations organizations in July for its subsequent submission to the Government and civil society, the final, fully approved UNDAF is expected by September 2000. The harmonization of organization cycles is planned to be effective as of January 2001. UNDG has been asked to intervene in efforts to resolve the UNICEF problem in order to avoid jeopardizing the harmonization process in Guatemala.

27. MINUGUA and UNDP have well-established mechanisms to ensure that their programmes comply with the peace accords. According to UNDP, it is essential to strengthen this mechanism mainly through the continuation of the thematic councils that are currently active. Finally, it is expected that MINUGUA will end its presence in the country within the next 2 to 3 years. Ensuring an effective transition is crucial, especially with regard to key MINUGUA assets and activities which must be transferred in a coordinated way to the appropriate United Nations organizations.

28. The process of establishing a United Nations House is advancing and efforts are under way to incorporate more organizations. The World Food Programme, United Nations Population Fund, Office of the United Nations High Commissioner for Human Rights and United Nations High Commissioner for Refugees have already manifested their interest in establishing a joint location for country offices in Guatemala together with UNDP.

Annex

Financial summary

Country: Guatemala
CCF period: 1998-2000
Period covered by the country review: January 1998-April 2000

Regular resources	*Amount assigned for the CCF**	*Amount planned for the period under review*	*Estimated expenditure for the period under review*
	(Thousands of US dollars)		
Estimated IPF carry-over	499	439	439
TRAC 1.1.1 and TRAC 1.1.2 (66.7 percent of TRAC 1.1.1)	1 854	1 854	2 141
TRAC 1.1.3	233	3 457	3 261
Other resources (SPR)		39	39
SPPD/STS	130	100	97
Subtotal	**2 716**	**5 889**	**5 977**

Other resources	*Amount targeted for the CCF**	*Amount mobilized for the period under review*	*Estimated expenditure for the period under review*
	(Thousands of US dollars)		
Government cost-sharing	23 655	34 666	28 408
Third party cost-sharing	3 527	82 172	67 337
Sustainable development funds			
Montreal Protocol	482	368	368
GEF	2 868	2 893	2 875
Sustainable development network	169	169	169
Funds, trust funds and other	3 095	7 450	3 895
Subtotal	**33 796**	**127 718**	**103 052**
Grand total	**36 512**	**133 607**	**109 029**

* Prorated for the period under review.

Abbreviations: GEF = Global Environmental Facility; SPPD = support for policy and programme development; SPR = special programme resources; STS = support for technical services; and TRAC = target for resource assignment from the core.